

1 REDEVELOPMENT AGENCY
2 of the
3 CITY OF OREM
4 May 13, 2014
5

6 CONDUCTING Chair Richard F. Brunst, Jr.
7

8 BOARD OF DIRECTORS Hans Andersen, Margaret Black, Tom Macdonald, Mark
9 Seastrand, David Spencer, and Brent Sumner
10

11 APPOINTED STAFF Jamie Davidson, Brenn Bybee, Richard Manning, and
12 Taraleigh Gray
13

14 The Redevelopment Agency (RDA) Meeting convened at 9:17p.m.
15

16 **APPROVAL OF MINUTES – June 11, 2013**
17

18 Mr. Seastrand **moved** to approve the minutes of the June 11, 2013, Redevelopment Agency
19 Meeting. Mr. Andersen **seconded** the motion. Those voting aye: Hans Andersen, Margaret
20 Black, Richard F. Brunst, Tom Macdonald, Mark E. Seastrand, David Spencer, and Brent
21 Sumner. The motion passed unanimously.
22

23 **SCHEDULED ITEMS**
24

25 RESOLUTION – Tentatively Adopting the Redevelopment Agency of the City of Orem
26 (RDA) Fiscal Year 2014-2015 Tentative Budget
27

28 Brandon Nelson presented a staff recommendation that the Board of Directors, by resolution
29 tentatively adopt the Fiscal Year 2014-2015 Tentative Budget and set a public hearing to adopt
30 the final budget on June 10, 2014, at 6:10 p.m.
31

32 On May 9, 2014, the Board of Directors received the RDA Tentative Budget for Fiscal Year
33 2014-2015. The purpose of this item is to accept the Tentative Budget and set the public hearing
34 on June 10, 2014 at 6:10 p.m. to adopt the final budget for Fiscal Year 2014-2015.
35

36 Revenues were primarily property taxes collected by Utah County for use in the individual RDA
37 areas.
38

39 Mr. Nelson indicated several of the project areas had expired prior to FY 2014-15, and others
40 were set to expire within the 2014 calendar year. The tentative budget was significantly reduced
41 compared to prior years. After calendar year 2014, only one project area would remain, which
42 was Project Area 90-08. The additional tax increment, referred to as haircut, would be collected
43 for an additional seven years.
44

45 Mr. Macdonald asked Mr. Nelson if the project areas naturally expired over a period of time. Mr.
46 Nelson said each project area was assigned a time period or normal increment to which it would
47 expire. The City still did collect a haircut used strictly to pay for the bond debt.

Mayor Brunst said once the bonds were paid off, the City would keep what was leftover from the haircut funds.

Mr. Davidson said the money collected specifically collected for a redevelopment area would revert to all the taxing entities of which the City of Orem was part.

Mrs. Black asked if the haircut was for the recreation bonds. Mr. Nelson said yes.

Mr. Davidson added that a number of years ago there was a very limited window open within Redevelopment law that allowed municipalities to use redevelopment money to dedicate toward recreational amenities. The City of Orem exercised this option and bonded against anticipated collection of revenue, in terms of increment and haircut, and scheduled to use the moneys to feed that debt. The City borrowed money to build facilities, with the idea that the City would use the increment and haircut to retire the debt through 2021.

Mr. Davidson said the City would need to set aside money to plan on payment of the debt through the end of the maturity period. The City was moving through the process where the City was supplementing the haircut money in part with some of the increment to meet the full debt obligation for the recreation amenities.

Mr. Nelson went over each of the project areas.

Mrs. Black asked about project area 85-01 and said she was aware an additional road would need to be planned within this area. She asked if haircut money could be used in this manner. Mr. Davidson said a road could be built if it was within the project area. The problem the City faced was the road access was not within the project area. The City had not been successful in acquiring the right of way. Mr. Davidson said his expectation was that the cost would far exceed any remaining balance in the fund.

Mr. Nelson drew council attention to participation agreements. The revenues were reported as follows:

Revenue	FY 12	FY 13	Budget FY 14	Proposed FY 15
Increment Project Area #85-01	\$804,540	\$863,241	\$870,000	\$930,000
Haircut Project Area #85-01	\$151,707	\$164,761	\$165,000	\$175,000
Increment Project Area #85-02	\$435,451	\$432,314	\$435,000	-
Haircut Project Area #85-02	\$82,475	\$82,542	\$100,000	\$100,000
Increment Project Area #85-03A	\$499,121	\$504,689	\$505,000	-
Increment Project Area #85-03B	\$780,775	\$777,246	\$780,000	-
Haircut Project Area #85-03A	\$93,874	\$96,210	\$150,000	\$100,000
Haircut Project Area #85-03B	\$147,890	\$148,399	\$155,000	\$150,000
Increment Project Area #85-04	\$205,348	\$197,921	\$205,000	-
Haircut Project Area #84-04	\$38,676	\$37,739	\$45,000	\$50,000
Increment Project Area #87-10	\$216,546	\$187,633	\$360,000	\$245,000
Haircut Project Area #87-10	\$41,013	\$23,025	\$60,000	\$50,000
Increment Project Area #90-08	\$193,848	\$527,981	\$190,000	\$190,000

Haircut Project Area #90-08	\$23,602	\$93,683	\$25,000	\$24,000
Interest Earnings	\$75,394	\$53,184	-	-
Appropriation of Surplus	\$0	\$0	\$7,246,656	\$635,694
Fund Totals	\$3,790,260	\$4,190,568	\$11,291,656	\$2,649,694

The active participation agreements included the following:

Area	Name	Description	Terms
85-01	Orem Tek Dev. Corp.	95 percent of increment	32 years Started in FY1983-84 Ends FY 2014-15
87-10	Boyer Orem Associates	95 percent of increment	24 years Started in FY 1991-92 Ends in FY 2014-15
85-03A	MLP Orem, LLC	Max of 3 payments of \$75,000 and 3 of \$125,000	8 years Started in FY 2010-11 End in FY 2017-18

Mr. Seastrand **moved**, by resolution, to tentatively adopt the Fiscal Year 2014-2015 Tentative Budget and set a public hearing to adopt the final budget on June 10, 2014, at 6:10 p.m. Mrs. Black **seconded** the motion. Those voting aye: Mrs. Black, Mr. Brunst, Mr. Macdonald, Mr. Seastrand, Mr. Spencer, and Mr. Sumner. Those voting nay: Mr. Andersen. The motion **carried** with a majority vote of 6-1.

ADJOURN TO SPECIAL SERVICE LIGHTING DISTRICT MEETING

Mr. Seastrand moved to adjourn to a meeting of the Special Service Lighting District. Mr. Macdonald **seconded** the motion. Those voting aye: Mr. Andersen, Mrs. Black, Mr. Brunst, Mr. Macdonald, Mr. Seastrand, Mr. Spencer, and Mr. Sumner. The motion **passed** unanimously.

The meeting adjourned at 9:31 p.m.

Donna R. Weaver, Secretary

Approved: June 10, 2014